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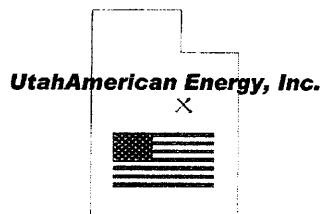
From: "Dragoo, Denise" <ddragoo@swlaw.com>
To: "John Baza" <JOHNBAZA@utah.gov>, "Mary Ann Wright" <maryannwright@utah.gov>, "Steve Alder" <STEVEALDER@utah.gov>
Date: 12/10/2006 3:08:11 PM
Subject: Letter re: 60 day Permit Review: Lila Canyon Mine (part 2)

John, Mary Ann and Steve, this is the second of two letters referenced in my earlier e-mail. Let me know if you have questions or concerns.
Thanks, Denise

Denise A. Dragoo
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**Lila Canyon Project****P. O. Box 986, Price, Utah 84501****Phone: (435) 888-4000****Fax: (435) 888-4002**

December 8, 2006

VIA HAND DELIVERY

John R. Baza, Director
Division of Oil, Gas and Mining
Department of Natural Resources
State of Utah
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114

RE: Request for Supplemental Technical Information and Clarifications, Lila Canyon Extension, UtahAmerican Energy, Inc., Horse Canyon Mine, C/007/0013

Dear Mr. Baza:

This letter follows up on two submissions made on December 1, 2006, by UtahAmerican Energy, Inc. ("UEI") to the Division of Oil, Gas and Mining ("Division"). My letter dated December 1, 2006, informed you of UEI's serious concerns regarding the permit process for the Lila Canyon Mine. That letter was delivered to you simultaneously with UEI's response to the letter of November 27, 2006, from Pamela Grubaugh-Littig addressing certain alleged "technical deficiencies" in UEI's permit application. UEI's response was complete, accurate and delivered to the Division within just four (4) days of our receipt of Ms. Grubaugh-Littig's letter. In turn, UEI requested a response from the Division regarding the adequacy of UEI's submission within four (4) days.

To date, we have received no written response to UEI's submission and no written commitment by the Division to the timely issuance of the permit. It is absolutely critical to UEI's continued operations in Carbon and Emery Counties that the mine permit be issued by the January 22, 2007 deadline. Please notify us immediately in writing of the status of our permit application.

We appreciate your urgent attention to this matter.

Sincerely,

UTAHAMERICAN ENERGY, INC.

Michael O. McKown
General Counsel

MM/bjb/423218

cc: Steven Alder, Esq.
John Harja, Esq.
Lynn Stevens
James Kohler, BLM
Ira Hatch, Emery County